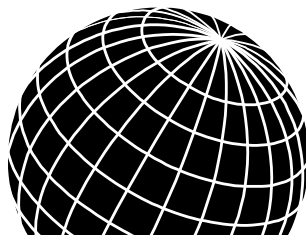


BUTLER NATIONAL SERVICE CORPORATION

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
BUTLER NATIONAL SERVICE CORP.

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 57,102,365	\$ 3,568,717	\$ 3,568,717	\$ -
Property Tax	74,365	419,997	1,935,436	4,499,700
Sales/Use Tax	-	720,456	1,712,492	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	5,124,732	-	-
Total	\$ 57,176,730	\$ 9,833,902	\$ 7,216,645	\$ 4,499,700
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 506,907	\$ -	\$ -
Public Works	-	21,576,000	-	-
Education	-	-	-	3,728,887
Fire Protection/EMS	-	239,372	-	-
Total	\$ -	\$ 22,322,279	\$ -	\$ 3,728,887
Surplus/(Deficit)	\$ 57,176,730	\$ (12,488,377)	\$ 7,216,645	\$ 770,813

Consultant's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 34,907,959	\$ 2,181,747	\$ 2,181,747	\$ -
Property Tax	92,830	2,998,158	2,416,114	3,467,506
Sales/Use Tax	4,190,721	790,702	1,304,658	-
Income Tax	3,047,502	-	-	-
Building Fees	-	-	-	-
Lodging Tax	472,589	624,174	147,127	-
School State Aid	-	-	-	8,152,923
Developer Contributions	-	-	-	-
Total	\$ 42,711,600	\$ 6,594,781	\$ 6,049,647	\$ 11,620,429
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 1,045,155	\$ 869,066	\$ -
Public Works	-	-	-	-
Education	-	-	-	23,912,888
Building Inspection	-	-	-	-
Fire Protection/EMS	-	372,583	-	-
Admin. Overhead	-	292,051	-	-
Total	\$ -	\$ 1,709,789	\$ 869,066	\$ 23,912,888
Surplus/(Deficit)	\$ 42,711,600	\$ 4,884,992	\$ 5,180,581	\$ (12,292,459)

<p align="center">FISCAL IMPACT--CONSTRUCTION BUTLER NATIONAL SERVICE CORP.</p>
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Sep-09

Sep-11

Proposer's Estimates: 2009-2011

	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 23,847,901	\$ 1,490,493	\$ 1,490,493	\$ -
Property Tax	15,925	89,945	414,487	963,642
Sales/Use Tax	-	137,199	326,116	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	5,124,732	-	-
Total	\$ 23,863,826	\$ 6,842,369	\$ 2,231,096	\$ 963,642
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 160,844	\$ -	\$ -
Public Works		21,576,000	-	-
Education	-	-	-	1,184,865
Fire Protection/EMS	-	75,954	-	-
Total	\$ -	\$ 21,812,798	\$ -	\$ 1,184,865
Surplus/(Deficit)	\$ 23,863,826	\$ (14,970,429)	\$ 2,231,096	\$ (221,223)

Voluntary Contributions to State and Local Governments:

1. Road/Street and sewer/water improvements estimated at \$21.6 million of which 23.7% paid for by proposer (shown under Dodge City).

Consultant's Estimates: 2009-2011

<u>REVENUE:</u>	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
Gaming Rev. Sharing	\$ 1,246,364	\$ 77,898	\$ 77,898	\$ -
Property Tax	-	-	-	-
Sales/Use Tax	1,089,992	205,659	339,337	-
Income Tax	292,741	-	-	-
Building Fees	-	-	-	-
Lodging Tax	-	-	-	-
School State Aid	-	-	-	1,403,149
Developer Contributions	-	-	-	-
Total	\$ 2,629,097	\$ 283,557	\$ 417,235	\$ 1,403,149
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 105,004	\$ 68,227	\$ -
Public Works	-	-	-	-
Education	-	-	-	\$ 2,119,242
Building Inspection	-	-	-	-
Fire Protection/EMS	-	30,310	-	-
Admin. Overhead	-	27,874	-	-
Total	\$ -	\$ 163,188	\$ 68,227	\$ 2,119,242
Surplus/(Deficit)	\$ 2,629,097	\$ 120,369	\$ 349,008	\$ (716,094)

Consultant's Comments:

1. Developer Contributions under Proposer's estimates are not carried down to Consultant's estimate as roads, sewer and water infrastructure costs are not estimated due to lack of reliable cost data and due to the large variance between the two proposers' estimates.

FISCAL IMPACT: 2012-2013
BUTLER NATIONAL SERVICE CORP.

Proposer's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 33,254,464	\$ 2,078,224	\$ 2,078,224	\$ -
Property Tax	58,440	330,052	1,520,949	3,536,058
Sales/Use Tax	-	583,257	1,386,376	-
Income Tax	-	-	-	-
Lodging Tax	-	-	-	-
Developer Contributions	-	-	-	-
Total	\$ 33,312,904	\$ 2,991,533	\$ 4,985,549	\$ 3,536,058
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 346,063	\$ -	\$ -
Public Works	-	-	-	-
Education	-	-	-	\$ 2,544,022
Fire Protection/EMS	-	163,418	-	-
Total	\$ -	\$ 509,481	\$ -	\$ 2,544,022
Surplus/(Deficit)	\$ 33,312,904	\$ 2,482,052	\$ 4,985,549	\$ 992,036

Consultant's Estimates				
	<u>State</u>	<u>Dodge City</u>	<u>Ford County</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>				
Gaming Rev. Sharing	\$ 33,661,594	\$ 2,103,850	\$ 2,103,850	\$ -
Property Tax	92,830	2,998,158	2,416,114	3,467,506
Sales/Use Tax	3,100,729	585,043	965,321	-
Income Tax	2,754,761	-	-	-
Building Fees	-	-	-	-
Lodging Tax	472,589	624,174	147,127	-
School State Aid	-	-	-	6,749,775
Developer Contributions	-	-	-	-
Total	\$ 40,082,503	\$ 6,311,225	\$ 5,632,412	\$ 10,217,280
<u>COSTS:</u>				
Law Enforcement	\$ -	\$ 940,151	\$ 800,839	\$ -
Public Works	-	-	-	-
Education	-	-	-	21,793,646
Building Inspection	-	-	-	-
Fire Protection/EMS	-	342,273	-	-
Admin. Overhead	-	264,177	-	-
Total	\$ -	\$ 1,546,601	\$ 800,839	\$ 21,793,646
Surplus/(Deficit)	\$ 40,082,503	\$ 4,764,623	\$ 4,831,573	\$ (11,576,366)

Consultant's Comments:

		<u>2012</u>		<u>2012</u>
Butler	GGR Estimate	\$ 67,665,516	Visitors	1,377,600
Consultants	GGR Estimate	\$ 49,667,000	Visitors	740,459

APPENDIX 1
BUTLER NATIONAL SERVICE CORPORATION
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Temporary Structure	-	\$ 9,641,351	\$ 4,820,675	\$ 15,376,304
Year 2	Casino	32,305	5,044,127	2,522,063	-
	Hotel	59,839	9,343,350	4,671,675	-
	Restaurants	5,856	914,370	457,185	-
	Entertainment	9,493	1,482,311	741,156	-
	Retail	736	114,921	57,460	-
Subtotal		108,229	16,899,079	8,449,540	-
Year 3	Casino	10,768	9,837,417	4,918,709	8,532,851
	Hotel	19,946	18,222,071	9,111,035	3,744,426
	Restaurants	1,952	1,783,269	891,635	366,441
	Entertainment	3,164	2,890,910	1,445,455	594,049
	Retail	245	224,127	112,063	46,055
Subtotal		36,076	32,957,794	16,478,897	13,283,823
TOTAL		144,305	\$ 59,498,223	\$ 29,749,112	\$ 28,660,127

APPENDIX 1, ASSUMPTIONS:

1. The temporary facility will open September 2009; the permanent, October 2011.

	Sq. Footage	Other Information
Casino	48,457	875 slot machines, 20 table games
Hotel	89,758	124 guest rooms, both standard and premium
Restaurants	8,784	restaurants and bars
Entertainment	14,240	convention and entertainment, spa and fitness center
Retail	1,104	retail shop
Total	162,343	

Source: Developer's application/template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Butler National Service Corporation in its template document (costs are added in the year shown by the developer):

	Land	Building	FF&E*	Total**
	\$ 8,429,884	\$ 51,068,339	\$ 28,660,127	\$ 88,158,350

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's revised application (final template).

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
BUTLER NATIONAL SERVICE CORPORATION
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>DODGE CITY SCHOOL DIST. REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Temp. Structure	\$ 9,641,351	\$ 15,376,304	\$ 25,017,655	\$ 6,254,414				
Year 2	Casino	5,044,127	-	30,351,022	7,587,755				
	Hotel	9,343,350	-	9,343,350	2,335,838				
	Restaurants	914,370	-	914,370	228,592				
	Entertainment	1,482,311	-	1,482,311	370,578				
	Retail	114,921	-	114,921	28,730				
Subtotal		16,899,079	-	42,205,974	10,551,494	\$ 350,435	\$ 303,001	\$ 244,179	\$ 9,382
Year 3	Casino	9,837,417	8,532,851	49,170,532	12,292,633				
	Hotel	18,222,071	3,744,426	31,590,148	7,897,537				
	Restaurants	1,783,269	366,441	3,091,511	772,878				
	Entertainment	2,890,910	594,049	5,011,739	1,252,935				
	Retail	224,127	46,055	388,551	97,138				
Subtotal		32,957,794	13,283,823	89,252,481	22,313,120	\$ 591,200	\$ 511,178	\$ 411,941	\$ 15,827
Year 4	Casino	-	-	49,928,373	12,482,093				
	Hotel	-	-	32,425,520	8,106,380				
	Restaurants	-	-	3,173,263	793,316				
	Entertainment	-	-	5,144,270	1,286,068				
	Retail	-	-	398,825	99,706				
Subtotal		-	-	91,070,251	22,767,563	\$ 1,250,204	\$ 1,080,981	\$ 871,127	\$ 33,470
Year 5	Casino	-	-	50,708,950	12,677,237				
	Hotel	-	-	33,285,952	8,321,488				
	Restaurants	-	-	3,257,468	814,367				
	Entertainment	-	-	5,280,777	1,320,194				
	Retail	-	-	409,409	102,352				
Subtotal		-	-	92,942,555	23,235,639	\$ 1,275,667	\$ 1,102,997	\$ 888,868	\$ 34,151
TOTAL		\$ 59,498,223	\$ 28,660,127			\$ 3,467,506	\$ 2,998,158	\$ 2,416,114	\$ 92,830

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount. Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District	\$ 56.0300	
City	\$ 48.4460	
County	\$ 39.0410	
State	\$ 1.5000	

Source: Ford County Administration Office. Rates include all funds for which property tax revenues are collected.

Meridian Business Advisors-September 2008

APPENDIX 2
BUTLER NATIONAL SERVICE CORPORATION
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at **25%** of appraised value for both real and personal property.
4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

APPENDIX 3
BUTLER NATIONAL SERVICE CORPORATION
SALES TAX REVENUE

<u>YEAR</u>		<u>SQUARE FT.</u> <u>BUILT</u>	<u>CONSTRUCTION</u> <u>MATERIALS</u> <u>COST</u>	<u>FF&E</u> <u>PURCHASES</u>	<u>RETAIL</u> <u>SALES</u>	<u>TOTAL</u> <u>TAXABLE</u> <u>SALES</u>	<u>DODGE</u> <u>CITY</u> <u>REVENUE</u>	<u>FORD</u> <u>COUNTY</u> <u>REVENUE</u>	<u>STATE OF</u> <u>KANSAS</u> <u>REVENUE</u>
Year 1	Temp. Structure	-	\$ 4,820,675	\$ 15,376,304	\$ 368,904	\$ 20,565,883	\$ 205,659	\$ 339,337	\$ 1,089,992
Year 2	Casino	32,305	2,522,063	-	-	2,522,063			
	Hotel	59,839	4,671,675	-	-	4,671,675			
	Restaurants	5,856	457,185	-	1,438,323	1,895,508			
	Entertainment	9,493	741,156	-	-	741,156			
	Retail	736	57,460	-	48,360	105,820			
Subtotal		108,229	8,449,540	-	1,486,683	9,936,222	\$ 99,362	\$ 163,948	\$ 526,620
Year 3	Casino	10,768	4,918,709	8,532,851	-	13,451,560			
	Hotel	19,946	9,111,035	3,744,426	-	12,855,462			
	Restaurants	1,952	891,635	366,441	2,806,710	4,064,786			
	Entertainment	3,164	1,445,455	594,049	-	2,039,504			
	Retail	245	112,063	46,055	132,561	290,680			
Subtotal		36,076	16,478,897	13,283,823	2,939,271	32,701,991	\$ 327,020	\$ 539,583	\$ 1,733,206
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	7,061,624	7,061,624			
	Entertainment	-	-	-	-	-			
	Retail	-	-	-	417,570	417,570			
Subtotal		-	-	-	7,479,194	7,479,194	\$ 74,792	\$ 123,407	\$ 396,397
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	7,858,470	7,858,470			
	Entertainment	-	-	-	-	-			
	Retail	-	-	-	528,443	528,443			
Subtotal		-	-	-	8,386,913	8,386,913	\$ 83,869	\$ 138,384	\$ 444,506
TOTAL		144,305	\$ 29,749,112	\$ 28,660,127	\$ 20,660,965	\$ 79,070,204	\$ 790,702	\$ 1,304,658	\$ 4,190,721

APPENDIX 3, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
1.000% City
1.650% County
<u>5.300% State</u>
7.950% TOTAL

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

- Materials Cost - 50% of construction cost is assumed to be materials cost. Source: Discussion with Nevada contractors.
- Retail sales based on revenue projections contained in Developer's template and include F&B and retail, the Developer does not estimate entertainment tax revenue.
- Room tax revenue estimated in Appendix 6.

APPENDIX 4
BUTLER NATIONAL SERVICE CORPORATION
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ 5,193,184	77,898	77,898	1,142,501	103,864
Year 2	Casino	15,579,553	233,693	233,693	3,427,502	311,591
Year 3	Casino	24,101,415	361,521	361,521	5,302,311	482,028
Year 4	Casino	49,667,000	745,005	745,005	10,926,740	993,340
Year 5	Casino	50,908,675	763,630	763,630	11,199,909	1,018,174
TOTAL		\$ 2,181,747	\$ 2,181,747	\$ 31,998,962	\$ 2,908,997	

APPENDIX 4, ASSUMPTIONS:

- Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR \$ 58,634,000
Cummings GGR 40,700,000
Average \$ 49,667,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

- Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Ford County	1.5%	of all lottery gaming revenues.
Dodge City	1.5%	of all lottery gaming revenues.

Source: SB 66.

- Year 4 assumes first full year of operation for the permanent facility; temporary facility revenue estimated based on the percentage of square footage of temporary facility to permanent facility multiplied by permanent facility estimated revenue.

APPENDIX 5
BUTLER NATIONAL SERVICE CORPORATION
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED ANNUAL PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 4,376,128	\$ 32,203	\$ 218,052
	Operating	1,570,064	27,630	74,689
Subtotal		5,946,192	59,834	292,741
Year 2	Construction	7,782,400	32,203	387,779
	Operating	6,327,358	27,630	300,997
Subtotal		14,109,758	59,834	688,776
Year 3	Construction	9,310,111	32,203	463,901
	Operating	8,102,178	26,154	378,601
Subtotal		17,412,289	58,358	842,502
Year 4	Construction	-	-	-
	Operating	13,186,089	23,672	594,359
Subtotal		13,186,089	23,672	594,359
Year 5	Construction	-	-	-
	Operating	13,839,212	24,207	629,124
Subtotal		13,839,212	24,207	629,124
TOTAL		\$ 64,493,540	\$	3,047,502

APPENDIX 5, ASSUMPTIONS:

1. Construction salary per employee is estimated at \$ **32,203** excluding benefits per Developer template. Salary is held constant through the analysis per Developer's template.
2. Operating salary per employee is estimated at \$ **27,630** excluding benefits per Developer template. Salary is inflated by 3% annually per Developer's template.
3. Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
 For a single person:
 Taxable income between \$0 and \$15,000 is taxed at 3.5%
 Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
 Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
 Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
BUTLER NATIONAL SERVICE CORPORATION
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ANNUAL ROOM REVENUE</u>	<u>DODGE CITY REVENUE</u>	<u>FORD COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	0	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	0	-	-	-	-
Year 3	Hotel	124	883,270	61,829	14,574	46,813
Year 4	Hotel	124	3,720,127	260,409	61,382	197,167
Year 5	Hotel	124	4,313,373	301,936	71,171	228,609
TOTAL			\$ 8,916,771	\$ 624,174	\$ 147,127	\$ 472,589

APPENDIX 6, ASSUMPTIONS:

1. Sales tax rate is as follows:

<u>Designation</u>
7.000% City
1.650% County
<u>5.300%</u> State
13.950% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

2. Room revenue based on **124** rooms as shown in the Developer's template.

APPENDIX 7
BUTLER NATIONAL SERVICE CORPORATION
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>FORD COUNTY</u>	<u>DODGE CITY</u>	<u>DODGE CITY SCHOOL DIST.</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	1,089,992	339,337	205,659	-
	Gaming Revenue	1,246,364	77,898	77,898	-
	Income Tax Revenue	292,741	-	-	-
	Transient Guest Tax	-	-	-	-
Subtotal		2,629,097	417,235	283,557	-
Year 2	Property Tax	9,382	244,179	303,001	350,435
	Sales Tax Revenue	526,620	163,948	99,362	-
	Gaming Revenue	3,739,093	233,693	233,693	-
	Income Tax Revenue	688,776	-	-	-
	Transient Guest Tax	-	-	-	-
Subtotal		4,963,870	641,820	636,057	350,435
Year 3	Property Tax	15,827	411,941	511,178	591,200
	Sales Tax Revenue	1,733,206	539,583	327,020	-
	Gaming Revenue	5,784,340	361,521	361,521	-
	Income Tax Revenue	842,502	-	-	-
	Transient Guest Tax	46,813	14,574	61,829	-
Subtotal		8,422,687	1,327,619	1,261,548	591,200
Year 4	Property Tax	33,470	871,127	1,080,981	1,250,204
	Sales Tax Revenue	396,397	123,407	74,792	-
	Gaming Revenue	11,920,080	745,005	745,005	-
	Income Tax Revenue	594,359	-	-	-
	Transient Guest Tax	197,167	61,382	260,409	-
Subtotal		13,141,472	1,800,920	2,161,187	1,250,204
Year 5	Property Tax	34,151	888,868	1,102,997	1,275,667
	Sales Tax Revenue	444,506	138,384	83,869	-
	Gaming Revenue	12,218,082	763,630	763,630	-
	Income Tax Revenue	629,124	-	-	-
	Transient Guest Tax	228,609	71,171	301,936	-
Subtotal		13,554,473	1,862,053	2,252,433	1,275,667
TOTAL		\$ 42,711,600	\$ 6,049,647	\$ 6,594,781	\$ 3,467,506

APPENDIX 7, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

APPENDIX 8
BUTLER NATIONAL SERVICE CORPORATION
FORD COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u>COMMISSIONED POSITIONS</u>	<u>NON-COM POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	719	1.2	0.3	\$ 60,172	\$ 8,055	\$ -	\$ 68,227
Year 2	924	1.6	0.4	79,686	10,668	-	90,354
Year 3	1,310	2.2	0.6	116,344	15,575	25,624	157,544
Year 4	2,481	4.3	1.1	226,926	30,379	26,393	283,698
Year 5	2,521	4.3	1.1	237,454	31,789	-	269,243
TOTAL				\$ 720,582	\$ 96,466	\$ 52,018	\$ 869,066

APPENDIX 8, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- Commissioned positions are estimated using a ratio of **1.72** employees per 1,000 population as estimated below
Non-commissioned positions are estimated using a ratio of **0.43** employee per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Sheriff*	1	0.00	\$ -	\$ -	\$ -
Undersheriff*	1	0.00	-	-	-
CEO*	1	0.00	-	-	-
Captain	4	0.12	51,584	18,054	69,638
Sergeant	9	0.27	39,938	13,978	53,917
Deputies/Officers	34	1.01	32,550	11,392	43,942
Deputies/Officers PT**	1	0.03	26,510	-	26,510
Non-com.	10	0.30	26,004	9,101	35,106
Non-com PT**	4.5	0.13	24,354	-	24,354
Total Com.	51.0	1.72			
Total Non-com.	14.5	0.43			

*Not included in the above ratios as additional positions are not estimated.

**2 part time employees are assumed to make up a single employee for salary purposes if work 20 hours/week, and 4 employees if 10hrs/week.

County population is estimated at **33,783** in 2006.

Benefits are estimated at **35.0%** of salary costs, except for part-time employees, no benefits are estimated for these employees.

Salaries for each position are estimated using a weighted average salary of all actual salaries for all positions within the department and inflated annually by **3%**

Source: FTE, salary and benefits data from Ford County Administrator's Office. County population from US Census Bureau "State & County Quick Facts."

- Services/supplies are estimated at **3.4%** of salaries and benefits using data below, plus another 10% for office supplies for a total of **13%**
2008 **2008*** *2007 costs provided are inflated by 3% to estimate 2008 costs.

FT Salaries/Bens.	\$ 2,220,660	Vehicle Repairs	\$ 38,300
PT Salaries	127,983	Uniforms/Training	41,256
Total Salaries	\$ 2,348,643		

Source: Ford County Administrator's Office.

- One vehicle is estimated to be required for every 2 positions at a cost of \$ **23,450**
Source: Ford County Administrator's Office.

APPENDIX 9
BUTLER NATIONAL SERVICE CORPORATION
FORD COUNTY/DODGE CITY
ROAD/STREET DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>TOTAL ESTIMATED COST</u>		<u>DEVELOPER'S PORTION</u>		<u>CITY'S PORTION</u>	
Year 1	\$	-	\$	-	\$	-
Year 2		-		-		-
Year 3		-		-		-
Year 4		-		-		-
Year 5		-		-		-
TOTAL	\$	-	\$	-	\$	-

APPENDIX 9, ASSUMPTIONS

1. No new County roads are estimated, as the Roads Department assumes all roads constructed by the development will remain with the developer for maintenance, additional costs will be incurred if dedicated to County for maintenance. Source: Ford County Administrator's Office.
2. Costs associated with construction and maintenance of new City streets is unknown. This cost was not available from the City and the cost information provided by the two Dodge City developers differed significantly. It was unreasonable to compare such different estimates; therefore, no costs for street improvements are estimated, though costs are expected.

APPENDIX 10
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
WATER AND SEWER DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>TOTAL</u> <u>ESTIMATED COST</u>	<u>DEVELOPER'S</u> <u>PORTION</u>	<u>CITY'S</u> <u>PORTION</u>
Year 1	\$ -	\$ -	\$ -
Year 2	-	-	-
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
TOTAL	\$ -	\$ -	\$ -

APPENDIX 10, ASSUMPTIONS

1. No new County roads are estimated, as the Roads Department assumes all roads constructed by the development will remain with the developer for maintenance, additional costs will be incurred if dedicated to County for maintenance. Source: Ford County Administrator's Office.
2. Costs associated with construction and maintenance of new City streets is unknown. This cost was not available from the City and the cost information provided by the two Dodge City developers differed significantly. It was unreasonable to compare such different estimates; therefore, no costs for street improvements are estimated, though costs are expected.

**APPENDIX 11
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF CLERICAL POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	719	1.2	0.3	\$ 71,304	\$ 9,546	\$ 24,154	\$ 105,004
Year 2	924	1.5	0.4	94,429	12,641	-	107,071
Year 3	1,310	2.1	0.6	137,870	18,457	-	156,327
Year 4	2,481	4.0	1.1	268,911	36,000	52,786	357,697
Year 5	2,521	4.1	1.2	281,387	37,670	-	319,057
TOTAL				\$ 853,901	\$ 114,314	\$ 76,940	\$ 1,045,155

APPENDIX 11, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- Uniformed positions are estimated using a ratio of **1.61** employees per 1,000 population as estimated below
Clerical positions are estimated using a ratio of **0.46** employee per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Chief of Police*	1	0.00	\$ -	\$ -	\$ -
Department Supervisors*	5	0.00	-	-	-
Sergeant	5	0.19	39,938	13,978	53,917
Officers	37	1.42	32,087	11,230	43,317
Detectives	6	0.23	35,780	12,523	48,303
Clerical	12	0.46	21,670	7,585	29,255
Total Uniformed	48.0	1.61			
Total Clerical	12.0	0.46			

*Not included in the above ratios as additional positions are not estimated.

City population is estimated at **26,101** in 2006.

Benefits are estimated at **35.0%** of salary costs, except for part-time employees, no benefits are estimated for these employees.

Source: FTE information from "Dodge City Police Department" Organizational Chart from Dodge City website. Salary and benefits data from Ford County Administrator's Office (Dodge City data was not available). City population from US Census Bureau "State & County Quick Facts."

- Services/supplies are estimated at **3.4%** of salaries and benefits using data below, plus another 10% for office supplies for a total of **13%**
2008 **2008*** *2007 costs provided are inflated by 3% to estimate 2008 costs.

FT Salaries/Bens.	\$ 2,220,660	Vehicle Repairs	\$ 38,300
PT Salaries	127,983	Uniforms/Training	41,256
Total Salaries	\$ 2,348,643		\$ 79,555

Source: Ford County Administrator's Office. Data for Dodge City was unavailable.

- One vehicle is estimated to be required for every 2 positions at a cost of **\$ 23,450** inflated 3% annually, replaced every 3 years.

Source: Ford County Administrator's Office. Data for Dodge City was unavailable.

APPENDIX 12
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
FIRE DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	719	0.5	\$ 26,860	\$ 3,450	\$ -	\$ 30,310
Year 2	924	0.7	35,917	4,613	-	40,529
Year 3	1,310	1.0	52,949	6,800	-	59,749
Year 4	2,481	1.8	104,277	13,392	-	117,670
Year 5	2,521	1.8	110,175	14,150	-	124,325
TOTAL			\$ 330,178	\$ 42,405	\$ -	\$ 372,583

APPENDIX 12, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 16 for calculation).
- New positions are estimated using a ratio of **0.73** employees per 1,000 population as estimated below

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost/FTE</u>
Fire Chief*	1	0.00	\$ -	\$ -	\$ -
Chief Officers*	2	0.00	-	-	-
Captains*	3	0.00	-	-	-
Engineers	6	0.23	38,553	13,243	51,795
Fire Fighters	13	0.50	35,890	12,328	48,218
Total	12.0	0.73			

*Not included in the above ratios as additional positions are not estimated.

City population is estimated at **26,101** in 2006.

Salary and benefits costs are increased 4% annually. Benefits are estimated at **34%** of salary.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas. Dodge City data was not available.

- Services/supplies are estimated at **13%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services	\$ 1,279,805	\$ 1,296,456	\$ 1,326,777	\$ 1,301,013
Contractual	81,533	81,873	93,846	85,751
Commodities	75,267	83,250	85,500	81,339
% of PS	12%	13%	14%	13%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Fire & Ambulance department. Data for Dodge City was not available.

- Capital equipment requirements are unknown as Dodge City data was unavailable. Additional workspace, station, or equipment may be required.

APPENDIX 13
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY
SUMMARY OF ESTIMATED COSTS

<u>YEAR</u>	<u>STREETS DEPARTMENT</u>	<u>WATER/SEWER DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ 105,004	30,310	\$ 27,874	\$ 163,188
Year 2	-	-	107,071	40,529	30,405	178,005
Year 3	-	-	156,327	59,749	44,511	260,587
Year 4	-	-	357,697	117,670	97,925	573,291
Year 5	-	-	319,057	124,325	91,336	534,717
TOTAL	\$ -	\$ -	\$ 1,045,155	\$ 372,583	\$ 292,051	\$ 1,709,789

APPENDIX 13, ASSUMPTIONS:

1. See Appendices 9-12 for detailed calculations of all department costs.
2. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.
City of Wellington data is used as Dodge City data was not available.

Direct	2006	2007	2008	Average
Police	1,254,091	1,273,666	1,317,991	1,281,916
Fire/Ambulance	1,443,305	1,469,579	1,506,123	1,473,002
Auditorium	39,030	31,700	30,500	33,743
Park	212,473	240,515	243,470	232,153
Swimming Pool	40,927	26,425	44,100	37,151
Street	717,887	828,742	886,689	811,106
Cemetery	77,933	97,264	105,958	93,718
Engineering	304,034	320,833	335,425	320,097
Legal	124,565	129,395	131,522	128,494
Lake	120,439	145,024	144,237	136,567
Total	4,334,684	4,563,143	4,746,015	4,547,947
Indirect	2006	2007	2008	Average
Mayor/Council	14,709	21,221	21,521	19,150
City Manager	110,341	137,345	183,057	143,581
City Clerk	278,651	294,493	318,137	297,094
Utility Collections	247,651	280,901	284,417	270,990
Public Works	84,277	88,296	98,176	90,250
General Services	69,527	79,005	71,216	73,249
Janitorial	43,487	44,577	39,601	42,555
Total	848,643	945,838	1,016,125	936,869
% Indirect of Direct	20%	21%	21%	21%

APPENDIX 14
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY SCHOOL DISTRICT
ESTIMATED COSTS

<u>YEAR</u>	<u># OF NEW STUDENTS</u>	<u># OF NEW STUDENTS OVER CAPACITY</u>	<u>SALARIES/ BENEFITS COSTS</u>	<u>SERVICES/ SUPPLIES COSTS</u>	<u>CAPITAL CONSTRUCTION COSTS</u>	<u>ESTIMATED TOTAL COSTS</u>
Year 1	321	20	\$ 1,269,626	\$ 590,148	\$ 259,468	\$ 2,119,242
Year 2	321	20	1,313,819	610,690	-	1,924,509
Year 3	434	133	1,839,147	854,873	1,573,815	4,267,836
Year 4	780	479	3,422,094	1,590,660	4,961,264	9,974,019
Year 5	801	500	3,634,520	1,689,400	303,363	5,627,283
TOTAL			\$ 11,479,206	\$ 5,335,771	\$ 7,097,911	\$ 23,912,888

APPENDIX 14, ASSUMPTIONS:

- The analysis uses a student per household ratio of **1.56** to estimate the number of new students added to the school district by this development. The analysis assumes each employee who moves to the area will represent a household (See Appendix 16). Above ratio calculated as a weighted average of 1.7 students per household for service sector and 1.0 per household for skilled positions.
Source: Dodge City School District Superintendent's Office.
- Students will be added to each school level using the following ratios:

	% of Students	New of Students*	*at full operation
Pre School	15.0%	120	
Elementary	30.0%	240	
Intermediate	20.0%	160	
Middle School	20.0%	160	
High School	<u>15.0%</u>	<u>120</u>	
Total	100.0%	801	

Source: Dodge City School District Superintendent's Office.

- The following capacity exists at each school level to absorb new students:

	Existing Capacity	New Students	# of Students over Capacity
Pre School	1	120	119
Elementary	191	240	49
Intermediate	47	160	113
Middle School	0	160	160
High School	<u>62</u>	<u>120</u>	<u>58</u>
Total	301	801	500

Source: Dodge City School District Superintendent's Office.

No capital outlay costs are estimated for the new students absorbed by existing capacity; operating costs are estimated all for new students.

APPENDIX 14
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY SCHOOL DISTRICT
ESTIMATED COSTS

4. Salaries and benefits are estimated as follows:

Position	# of Positions	Salary Costs	Benefits Costs	Total Costs
Professional Staff	25	\$ 47,500	\$ 11,875	\$ 59,375
Support Staff	<u>40</u>	30,000	7,500	37,500
Total	65			

Salaries are inflated **3.5%** annually based on weighted average salary increase for professional and support staff.
Benefits estimated at **25%** of salaries.

Source: Dodge City School District Superintendent's Office.

5. School services and supplies are estimated at **46%** of salary/benefits costs.

	2005-06	2006-07	2007-08	Average
Instruction (I)	20,180,608	18,907,806	19,869,347	19,652,587
Operations/Maint. (OM)	8,283,539	9,263,398	9,857,842	9,134,926
Capital Improv. (CI)	-	-	-	-
OM % of I	41%	49%	50%	46%
CI % of I	0%	0%	0%	0%

Source: "Budget at a Glance 2007-08." Dodge City Public Schools.

6. Analysis assumes new classrooms will be required to service students. Each classroom will have capacity for students and will be constructed at a cost of \$ **280,000** inflated 3% annually.

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Source: Dodge City School District Superintendent's Office.

APPENDIX 15
BUTLER NATIONAL SERVICE CORPORATION
DODGE CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT

<u>YEAR</u>	<u>GENERAL</u> <u>STATE AID</u>	<u>LOCAL</u> <u>EFFORT</u>	<u>TOTAL</u> <u>CONTRIBUTION</u>	<u>TOTAL</u> <u>COSTS</u>	<u>ANNUAL</u> <u>SURPLUS/</u> <u>(DEFICIT)</u>	<u>CUMULATIVE</u> <u>SURPLUS/</u> <u>(DEFICIT)</u>
Year 1	\$ 1,403,149	\$ -	\$ 1,403,149	\$ 2,119,242	\$ (716,094)	\$ (716,094)
Year 2	1,052,714	350,435	1,403,149	1,924,509	(521,360)	(1,237,454)
Year 3	1,306,926	591,200	1,898,126	4,267,836	(2,369,710)	(3,607,163)
Year 4	2,162,832	1,250,204	3,413,036	9,974,019	(6,560,982)	(10,168,146)
Year 5	2,227,303	1,275,667	3,502,970	5,627,283	(2,124,314)	(12,292,459)
TOTAL	\$ 8,152,923	\$ 3,467,506	\$ 11,620,429	\$ 23,912,888	\$ (12,292,459)	

APPENDIX 15, ASSUMPTIONS:

1. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at \$ **4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
2. Local Effort includes school districts' property tax revenue only, other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for the School District in Appendix 2.
3. Operating and capital construction costs for school district is estimated in Appendix 14.

APPENDIX 16
BUTLER NATIONAL SERVICE CORPORATION
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS RESULTING FROM EMPLOYEES	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 1	229	23	206	399	205	719
Year 2	229	23	206	399	616	924
Year 3	310	32	278	540	953	1,310
Year 4	557	57	500	970	1,965	2,481
Year 5	572	58	513	996	1,965	2,521

APPENDIX 16, ASSUMPTIONS:

1. Employees:

a. The temporary development is estimated to require **229** employees.

The permanent development is estimated to require **572** employees.

Source: Developer's final template.

b. Approximately **90%** of all employees will live in Ford County, based on historical work-residence data.

Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Ford County.

c. Analysis assumes new employees moving to the area will have families, resulting in more residents to the County. Family members of new employees are added using a ratio of **1.94** additional members per new employee.

Source: US Department of Labor, Bureau of Labor Statistics. American FactFinder. By County. Data for Dodge City.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

a. Report by Richard Wells estimated approximately **2,364** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **1,694** daily visitors to the development, including local residents. The analysis uses the average of these **2,029**

Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.

Developer's application estimates a locals penetration rate of **69.0%** with approximately **33,783** County residents in 2006. The analysis assumes number of local visitors at **23,310** or approximately

63.9 visits a day. The analysis assumes no additional costs associated with these local visitors; costs are estimated only for the **1,965** non-local visitors in Year 4, first full year of operations. Visitors prior to this period are added based on the percentage of square footage of temporary facility of permanent facility multiplied by permanent facility's estimated revenue.

Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services time estimated as follows:

50% of all commuting employees and daily visitors.

100% of all new employees/residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services.